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FILED

JUL 03 2013

**SECRETARY, BOARD OF
OIL, GAS & MINING**

Attorneys for Division of Oil, Gas & Mining

**BEFORE THE BOARD OF OIL, GAS & MINING
DEPARTMENT OF NATURAL RESOURCES
STATE OF UTAH**

NOTICE OF AGENCY ACTION FOR AN ORDER REQUIRING MARION ENERGY TO PLUG AND RECLAIM WELLS; OR FORFEIT SURETY BOND AND AUTHORIZE THE DIVISION TO PLUG AND RECLAIM WELLS LOCATED IN TOWNSHIPS 13 AND 14 SOUTH, RANGE 7 EAST, CARBON COUNTY, UTAH; AND AN ORDER REQUIRING MARION ENERGY TO IMMEDIATELY COMPLY WITH THE NOTICE OF VIOLATION FOR THE WELLS LOCATED IN TOWNSHIPS 12, 13, AND 14 SOUTH, RANGES 7 AND 10 EAST, CARBON COUNTY, UTAH.

STIPULATED SCHEDULING ORDER

Docket No. 2011-018

Cause No. 250-02

Marion Energy Inc. ("Marion") and the Division of Oil, Gas and Mining ("Division") through their respective counsel and with the oral approval of the Board of Oil Gas and Mining ("Board") at the June 26, 2013 Board hearing, and in order to provide for an expeditious and orderly presentation and resolution of certain issues in the above entitled matter that remain unresolved by the Board's Second Supplemental Order, hereby Stipulate as follows.

Marion in anticipation of the Order to Show Cause hearing held June 26, 2013 filed a


Summary of Testimony in which Marion proposed to “provide testimony or information with respect to Marion’s desire to obtain further amendment of the [September 2012] plugging order to remove some or all of the remaining wells that are subject to that order.” Specifically Marion stated that it wanted the Board to amend the order to allow Marion to plug five wells that the Board has ordered plugged by the Division (Utah Fuel #1, Utah Fuel #2, Utah Fuel #3, Utah fuel #10, and Utah Mineral State 1A), and allow Marion to bring the Utah Fuel #8 into production and assume responsibility as operator. The parties have agreed that the issues related to these requests should be further briefed and then presented to the Board at the July 31, 2013 Board hearing.

To accommodate this expedited schedule Marion and the Division agree as follows:

1. Marion will file its Request for Modification of the September 2012 Order setting forth the specific relief requested, basis for such relief no later than July 10, 2013;
2. The Division shall file any Response no later than July 17, 2013;
3. The parties will exchange exhibits and provide notice of potential witnesses no later than July 26, 2013;
4. The parties will present any exhibits and testimony and argument at the Board’s July 31, 2013 hearing; and
5. The September 2012 Order shall continue in full force and effect during the interim provided that the Division represents and agrees that it will not begin plugging any of the above wells until after a decision on Marion’s request for modification.

Agreed to on the date executed below.

Utah Division of Oil, Gas, and Mining


By Cameron B. Johnson
Assistant Utah Attorney General

Dated: 7/2/13

Marion Energy Inc.


By Michael Malmquist
Parsons Behle & Latimer

Dated 7/2/13

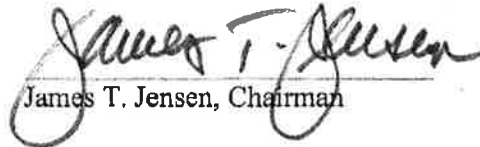
ORDER

The Board of Oil, Gas and Mining having reviewed the attached Stipulated Scheduling Order and finding good cause therefore does hereby Order that the Stipulation is approved and that further pleadings and proceedings in this matter shall be filed in accordance with its terms.

Dated this 8th day of July, 2013

**STATE OF UTAH
BOARD OF OIL, GAS AND MINING**

By:


James T. Jensen, Chairman

CERTIFICATE OF NOTICE

I hereby certify that on the 9th day of July, 2013 I caused a true and correct copy of the foregoing STIPULATED SCHEDULING ORDER for Docket No. 2011-018, Cause No. 250-02 to be delivered to the following via email:

Michael S. Johnson
Counsel for the Board of Oil, Gas & Mining

Michael Malmquist
PARSONS, BEHLE & LATIMER

Handwritten signature of Julie Ann Carter in blue ink.